CYPHER METAVERSE INC.

CONDENSED INTERIM FINANCIAL STATEMENTS
(UNAUDITED)

FOR THE NINE MONTH PERIOD ENDED
SEPTEMBER 30, 2024

(Expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

Cypher Metaverse Inc.
Condensed Interim Balance Sheets
(Expressed in Canadian Dollars)

	Note	(Unaudited) **September 30, 2024**	(Audited) **December 31, 2023**
		$	$
ASSETS			
Current			
Cash		6,224	44,218
Receivables		3,648	3,648
Prepaid expenses		13,125	44,548
Loan receivable	3,8	967,077	900,772
Digital assets	4	6,199	3,799
		996,273	996,985
Non-Current			
Non-fungible tokens	4	12,060	12,060
Total assets		1,008,333	1,009,045
LIABILITIES AND EQUITY			
Current			
Accounts payable and accrued liabilities	8	333,165	149,015
Equity			
Share capital	9	32,582,635	32,236,361
Subscriptions received	9	5,100	-
Contributed surplus	9	7,854,035	7,854,035
Deficit		(39,766,602)	(39,230,366)
Total Equity		675,168	860,030
Total liabilities and equity		1,008,333	1,009,045

Nature and continuance of operations (Note 1)
Subsequent events (Note 13)

Approved for issuance by the Board of Directors on November 8, 2024:

"George Tsafalas" - Director   *"Brian Keane" - Director*

The accompanying notes are an integral part of these condensed interim financial statements.

Cypher Metaverse Inc.
Condensed Interim Statements of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)
(Unaudited)

	Note	Three Months Ended **Settember 30, 2024**	Three Months Ended **Settember 30, 2023**	Nine Months Ended **Settember 30, 2024**	Nine Months Ended **Settember 30, 2023**
		$	$	$	$
Expenses					
Advertising and promotion		11,200	55,816	21,425	125,041
General and administrative		6,430	83,149	38,894	199,751
Professional fees		42,260	65,923	94,123	186,303
Regulatory and transfer agent		7,284	14,597	28,678	39,059
Management and consulting	8	112,260	244,380	383,510	751,372
Total expenses		179,434	463,865	566,630	1,301,526
Other Items					
Other income		-	10,818	-	31,012
Foreign exchange		5,920	8	(938)	3,242
Interest income - loan receivable	3	18,962	-	72,819	-
Gain on debt settlement		-	-	(43,887)	-
Impairment - Non-fungible token		-	-	-	(20,324)
Revaluation of digital assets	4	-	(380)	2,400	122,659
Realized (loss) on sale of digital assets		-	-	-	(2,088)
Unrealized (loss) on long-term investments	7	-	-	-	(34,854)
Total other items		24,882	10,446	30,394	99,647
Net and comprehensive loss		(154,552)	(453,419)	(536,236)	(1,201,879)
Loss per share					
Basic and diluted		(0.12)	(0.45)	(0.42)	(1.18)
Weighted average number of common shares					
Basic and diluted		1,283,896	1,018,065	1,283,896	1,018,046

The accompanying notes are an integral part of these condensed interim financial statements.

Cypher Metaverse Inc.
Statements of Cash Flows
(Expressed in Canadian Dollars)
(Unaudited)

	Nine Months Ended **September 30, 2024**	Nine Months Ended **September 30, 2023**
	$	$
Operating activities		
Net loss	(536,236)	(1,201,879)
Adjusted for:		
Revaluation of digital assets	-	(122,659)
Realized loss on sale of digital assets	-	2,088
Foreign exchange	-	7,859
Impairment - Non-fungible token	-	20,324
Unrealized loss on long-term investments	-	34,854
Revaluation of digital assets	(2,400)	-
Accrued interest	(72,819)	(11,992)
Gain on debt settlement	43,887	-
Changes in non-cash working capital:		
Prepaid expenses and deposits	31,423	(16,946)
Accounts payable and accrued liabilities	333,365	(4,989)
Cash flows from operating activities	(202,780)	(1,293,340)
Investing activities		
Loan - Agapi Luxury Brands Inc.	(97,986)	(649,700)
Loan - Agapi Luxury Brands Inc. (Repaid)	104,500	286,338
Cash flows from investing activities	6,514	(363,362)
Financing activities		
Proceeds from private placements	154,425	96,140
Share issuance costs	(1,253)	(1,254)
Share subscriptions	5,100	-
Cash flows from financing activities	158,272	94,886
Change in cash	(37,994)	(1,561,816)
Cash, beginning	44,218	1,857,007
Cash, end	6,224	295,191

The accompanying notes are an integral part of these condensed interim financial statements.

Cypher Metaverse Inc.

Condensed Interim Statements of Changes in Equity
(Expressed in Canadian Dollars)
(Unaudited)

	Number of common shares	Share Capital $	Contributed surplus $	Subscriptions received $	Deficit $	Total equity $
Balance, December 31, 2022	979,860	31,900,586	7,834,752	-	(37,667,942)	2,067,396
Shares issued for private placements	58,267	96,140	-	-	-	96,140
Finders' fees - cash	-	(1,254)	-	-	-	(1,254)
Finders' fees - warrants	-	(1,207)	1,207	-	-	-
Net and comprehensive loss	-	-	-	-	(1,201,879)	(1,201,879)
Balance, Septemebr 30, 2023	1,038,127	31,994,265	7,835,959	-	(38,869,821)	960,403
Balance, December 31, 2023	1,193,127	32,236,361	7,854,035	-	(39,230,366)	860,030
Shares issued for debt	117,031	193,102	-	-	-	193,102
Shares issued for private placements	121,118	154,425				154,425
Finders' fees - cash	-	(1,253)	-	-	-	(1,253)
Subscriptions recevied			-	5,100	-	5,100
Net and comprehensive loss	-	-	-	-	(536,236)	(536,236)
Balance, September 30, 2024	1,431,276	32,582,635	7,854,035	5,100	(39,766,602)	675,168

The accompanying notes are an integral part of these condensed interim financial statements.

1. NATURE AND CONTINUANCE OF OPERATIONS

Cypher Metaverse Inc. (the "Company") was incorporated in British Columbia on February 19, 2009. The Company's registered address is 1780-355 Burrard Street, Vancouver, British Columbia, Canada. On March 15, 2022, the Company changed its name from Codebase Ventures Inc. to Cypher Metaverse Inc.

Shares of the Company are listed on the Canadian Securities Exchange ("CSE") under the symbol CODE and are quoted on the Frankfurt Stock Exchange ("FWB") under the symbol C5B, and on the OTCQB under the symbol BKLLF.

On May 18, 2023, the Company entered a binding letter of intent to enter a business combination with Agapi Luxury Brands Inc.("Agapi") (Note 8). It is expected that upon completion of the business combination, the combined entity will meet the listing requirements for an industrial issuer and constitute a "Reverse Takeover" under the policies of the CSE. On August 29, 2023, the Company entered into a definitive agreement with Agapi. The CSE has conditionally accepted the Transaction, and the Company held a shareholder meeting on December 1, 2023, to give its shareholders the opportunity to consider the Transaction and approve the same.

Currently trading in CODE common shares on the CSE is halted in compliance with the policies of the CSE. It is not expected that trading in the CODE common shares will resume prior to the closing of the Transaction.

The Company was previously a diversified investment company which holds cryptocurrencies and Non-Fungible Tokens ("NFTs"). The Company was also previously involved in the business of utilizing specialized equipment to solve complex computational problems to validate transactions on the Bitcoin blockchain referred to as "Mining of the Bitcoins".

On October 21, 2024, the Company completed a consolidation of its common shares ("share consolidation") on the basis of one post-consolidation common share for every ten pre-consolidation common shares held (15-to-1). All references contained in these consolidated financial statements to issued and outstanding common shares, warrants, per share amounts, and exercise prices, have been retroactively restated to reflect the effect of the share consolidations.

These financial statements are prepared on a going concern basis, which assumes that the Company will continue its operations for at least the next twelve months. During the period ended September 30, 2024, the Company has incurred a net loss of $536,236 (September 30, 2023 - $1,201,879) and has an accumulated deficit of $39,766,602 (December 31, 2023 - $39,230,366). In addition, the Company has experienced negative cash flows from operations of $202,780 (September 30, 2023 - $1,293,340).

These events and conditions, create a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. The Company's ability to continue its operations and to realize assets at their carrying values is dependent upon obtaining additional financing or maintaining continued support from its shareholders and creditors, identifying and acquiring businesses or assets, and generating profitable operations in the future. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company was in the business of crypto assets, many aspects of which are not specifically addressed by current IFRS guidance. IFRS does not currently provide specific guidance to address many aspects of the digital asset industry. The Company is required to make judgments as to the application of IFRS and the selection of its accounting policies. The Company has disclosed its presentation, recognition and derecognition, and measurement of crypto assets, and the recognition of revenue as well as significant assumptions and judgments, however, if specific guidance is enacted by the IASB in the future, the impact may result in changes to the Company's earnings and financial position as presented.

(Expressed in Canadian Dollars)

2. MATERIAL ACCOUNTING POLICIES

Basis of Presentation

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34 – Interim Financial Reporting. The Company followed the same accounting policies and methods of application as those disclosed in the annual audited consolidated financial statements of the Company as at and for the year ended December 31, 2023 (the “Annual Financial Statements”), which are available under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“SEDAR+”) at www.sedarplus.ca. The Interim Financial Statements should be read in conjunction with the Annual Financial Statements, which were prepared in accordance with International Financial Reporting Standards (“IFRS”), as issued by the International Accounting Standards Board (“IASB”). In management’s opinion, the accompanying unaudited condensed interim financial statements contain all adjustments, which include only normal recurring adjustments, necessary to present fairly the Company’s interim financial statements. The results for such periods are not necessarily indicative of the results to be expected for the full year.

Basis of Measurement

These financial statements have been prepared on a historical cost basis except for certain assets that have been measured at fair value. In addition, these financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

3. LOAN RECEIVABLE

On May 10, 2023, the Company entered a binding letter of intent to acquire 100% of the issued and outstanding common shares of Agapi Luxury Brands Inc. in exchange for $5,000,000 in common shares of the Company. The Company also entered a secured bridge loan of up to $600,000 which accrues interest at an annual interest rate of 8%. The Bridge loan is repayable on the earlier of (i) May 31, 2024, and (ii) upon completion of the Transaction. As On September 9, 2023, the loan was amended and increased to $670,000. On December 22, 2023, the loan as further amended and increased to $950,000. Upon successful completion of the transaction the loan will be forgiven. The loan is considered a related party transaction (Note 8). As at September 30, 2024 the loan balance is as follows:

	Septeber 30, 2024	**December 31, 2023**
		$
Opening balance	900,772	-
Funds advanced under bridge loan agreement	97,986	874,700
Funds repaid	(104,500)	-
Accrued interest	72,819	26,072
Closing balance	967,077	900,772

4. DIGITAL ASSETS

Digital assets are recorded at their fair value on the acquisition date or when they are received as revenues and are revalued at their current market value at each reporting date. Fair value is determined based on the closing price quoted on www.coingecko.com. A summary of the digital currency balances is as follows:

(Expressed in Canadian Dollars)

4. DIGITAL ASSETS (Continued)

	September 30, 2024	December 31, 2023
	$	$
Ethereum	6,199	3,799

Bitcoin

A continuity of the Company's Bitcoin holdings is as follows:

	Number	Value $
Balance, December 31, 2022	6.5855	147,532
Bitcoin sold	(6.5855)	(254,031)
Revaluation	-	106,499
Balance, December 31, 2023 and Septemebr 30, 2024	-	-

Ethereum

A continuity of the Company's Ethereum holdings is as follows:

	Number	Value $
Balance, December 31, 2022	14.26	23,122
Ethereum sold	(13.00)	(32,129)
Revaluation	-	12,806
Balance, December 31, 2023	1.26	3,799
Revaluation	-	2,400
Balance, September 30, 2024	1.26	6,199

Curve Governance Token

A continuity of the Company's Curve Governance token holdings is as follows:

	Number	Value $
Balance, December 31, 2022	4,254.30	3,024
Curve governance token sold	(4,254.30)	(5,624)
Revaluation	-	2,600
Balance, December 31, 2023 and September 30, 2024	-	-

The Sandbox

A continuity of the Company's The Sandbox token holdings is as follows:

(Expressed in Canadian Dollars)

4. DIGITAL ASSETS (Continued)

	Number	Value $
Balance, December 31, 2022	5,384.72	2,795
The Sandbox sold	(5,384.72)	(4,501)
Revaluation	-	1,706
Balance, December 31, 2023 and Septemebr 30, 2024	-	-

During the period ended September 30, 2024, the Company recorded a revaluation gain on digital assets of $2,400 (September 30, 2023 –$122,659).

The Company holds Non-Fungible Tokens as follows:

	Otherdeed	Sandbox	Total
	$	$	$
Balance, December 31, 2022	12,510.00	19,874	32,384
Impairment	(8,612)	(11,712)	(20,324)
Balance, December 31, 2023 and September 30, 2024	3,898.00	8,162	12,060

5. INVESTMENT IN ASSOCIATE – CAPITAL BLOCKTECH INC.

The Company formerly held a 30% interest in Capital Blocktech Inc. ("Capital Blocktech") which was previously included in the consolidated financial statements using the equity method. Capital Blocktech is incorporated in Alberta, Canada. In 2018, the Company entered into an agreement with Capital Blocktech, a private Canadian blockchain technology company. In 2018, the Company advanced $1,000,000 to earn a 30% interest in Capital Blocktech. The Company also had the right to earn an additional 21% interest in Capital Blocktech for an additional $1,000,000 to be paid on or before January 1, 2022.

The tables below provide summarised financial information for the Company's equity investment in Capital Blocktech. The information disclosed reflects the amounts presented in the financial statements of Capital Blocktech and not the Company's share of those amounts:

Summarized Balance Sheet	September 30, 2024	December 31, 2023
	$	$
Cash	NA	-
Computer equipment	NA	-
Total Assets	NA	-
Accounts payable	NA	1,350,481
Share capital	NA	1,009,337
Deficit	NA	(2,359,818)
Total Liabilities and equity	NA	-

Summarized aggregated financial information of the Company's share in the associate is as follows:

(Expressed in Canadian Dollars)

5. INVESTMENT IN ASSOCIATE – CAPITAL BLOCKTECH INC. (Continued)

Equity Accounting Investment Continuity	**September 30, 2024**	**September 30, 2023**
	$	$
Balance, beginning of period	NA	-
Equity pick up - 30% of net loss	NA	-
Impairment	NA	-
Balance, end of period	NA	-

During the year ended December 31, 2022, the Company completed an engagement with an independent third-party consulting firm to evaluate performance metrics and capabilities of Capital Blocktech's open-source software project known as Arcology. Arcology's roadmap may progress toward a public coin offering, which for regulatory reasons the Company will not participate in. During the year ended December 31, 2022, due to an uncertain timeline to launching a commercially viable product the Company determined that an impairment of the remaining book value of $52,274 was appropriate.

On November 3, 2023, the Company entered into an agreement to purchase shares with an arm's length third party whereby the Company divested its equity investment in Capital Blocktech for consideration of $1.

6. INVESTMENT IN ASSOCIATE – GLANIS PHARMACEUTICALS INC

The Company's 49% interest (December 31, 2022 – 49%) in Glanis Pharmaceuticals Inc. ("Glanis") has been included in the consolidated financial statements using the equity method. Glanis is incorporated in British Columbia, Canada.

During the year ended December 31, 2020, the Company entered into an agreement with the shareholders of Glanis a private Canadian pharmaceutical company. During the year ended December 31, 2020, the Company issued 6,600,000 common shares with a fair value of $990,000 to acquire a 49% interest in Glanis and paid $28,000 of expenses toward the ongoing research studies to develop Glanis' technology.

On April 14, 2023, the Company reached an agreement with Glanis Pharmaceuticals Inc.("Glains") whereby Glanis purchased 4,846 shares held by the Company in exchange for $250,000 worth of shares to be issued upon the completion of a listing event of Glanis's common shares on a public securities exchange. As at December 31, 2023 a listing event whereby Glanis's common shares became listed on a public securities exchange has not occurred. The divesture is considered a related party transaction (Note 8).

7. LONG TERM INVESTMENTS

A continuity of the Company's investments is as follows:

	Love Hemp Group
	$
Balance, December 31, 2022	34,854
Unrealized fair value (loss)	(34,854)
Balance, December 31, 2023 and September 30, 2024	-

At September 30, 2024, the Company held 25,733,699 (December 31, 2023 – 25,733,699) ordinary common shares of Love Hemp Group Plc, which are fully impaired.

(Expressed in Canadian Dollars)

8. RELATED PARTY TRANSACTIONS

The key management personnel include those persons having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company has identified its directors and senior officers as its key management personnel. Total compensation to key management personnel was as follows:

	September 30, 2024	**September 30, 2023**
	$	$
Management and consulting fees	197,225	278,875
Share-based compensation	-	-
Total	197,225	278,875

Included in accounts payable is $75,450 (December 31, 2023 - $Nil) owing to key management personnel.

In connection with the proposed acquisition of Agapi (Note 1), the Company has issued a Loan of up to $950,000 which is a related party transaction as the CEO of the Company is a significant shareholder of Agapi (Note 3).

The divesture of Glains is considered a related party transaction. The Company's interest Glanis was disposed of April 14, 2023. David Stadnyk is considered to have control over Glanis. On May 10, 2023 Cypher entered an LOI to acquire Agapi and on August 29, 2023 the Company entered a definitive agreement to acquire 100% of Agapi (Note 1). David Stadnyk is the CEO, and sole director of Agapi. Due to the proposed acquisition of Agapi by the Company David Stadnyk is considered to have significant influence over the Company and is therefore considered a related party. Consulting fees of $172,250 were paid to a company controlled by David Stadnyk.

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS

Authorized Share Capital

The Company is authorized to issue an unlimited number of common shares without par value.

Issued and Outstanding – Common Shares period Ended September 30, 2024:

a) The Company issued 121,118 units at a price of $1.275 per unit raising gross proceeds of $154,425. Each unit consists of one common share and one common share purchase warrant which entitles the holder to acquire an additional common share at a price of $2.25 for a period of two years from closing. The Company paid cash finders fees of $1,253.

b) The Company issued 117,031 common shares at a fair value of $1.275 for gross consideration of $193,102. In relation to the debt settlement the Company recognized a gain on debt settlement of $43,887.

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Issued and Outstanding – Common Shares Year Ended December 31, 2023:

c) The Company issued 58,267 units at a price of $1.65 per unit raising gross proceeds of $96,140. Each unit consists of one common share and one common share purchase warrant which entitles the holder to acquire an additional common share at a price of $2.25 for a period of two years from closing. The Company paid cash finders fees of $1,254 and issued 760 broker warrants on the same terms as the warrants forming part of the units.

d) The Company issued 155,000 units at a price of $1.80 per unit raising gross proceeds of $279,000. Each unit consists of one common share and one-half common share purchase warrant which entitles the holder to acquire an additional common share at a price of $2.25 for a period of two years from closing. The Company paid cash finders fees of $18,755 and issued 10,420 broker warrants on the same terms as the warrants forming part of the units.

Stock Options

The Company grants options under the terms of its rolling stock option plan to executive officers, directors, employees, and consultants, enabling them to acquire up to 10% of the then issued and outstanding shares of the Company. The exercise price of each option equals the market price of the Company's shares, less allowable discount, as calculated on the date of grant. The options can be granted for a maximum term of 10 years.

A summary of change in stock options as follows:

	Number of Options		Weighted Average Exercise Price
Balance at December 31, 2022	85,833	$	19.05
Cancelled	(85,833)		18.00
Balance at December 31, 2023 and September 30, 2024	-	$	-

(Expressed in Canadian Dollars)

9. SHARE CAPITAL AND CONTRIBUTED SURPLUS (continued)

Warrants

A summary of change in warrants as follows:

	Number of Warrants		Weighted Average Exercise Price
Balance at December 31, 2022	187,978	$	58.50
Issued	146,947		2.25
Expired	(78,646)		92.03
Balance at December 31, 2023	256,278	$	7.05
Issued	121,118		
Expired	(109,331)		13.50
Balance at September 30, 2024	268,065	$	2.25

The following table summarizes warrants outstanding at September 30, 2024:

Expiry date	Number of Warrants	Weighted Average Exercise Price	Weighted Average Remaining Years
April 4, 2025	58,267	$2.25	0.51
April 4, 2025	760	$2.25	0.51
December 28, 2025	77,500	$2.25	1.24
December 28, 2025	10,420	$2.25	1.24
August 8, 2026	90,471	$2.25	1.85
September 18, 2024	39,980	$2.25	1.97
September 23, 2024	-9,333	$2.25	NA
	268,065	$2.25	1.44

(Expressed in Canadian Dollars)

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS

Fair values

The Company's financial instruments consist of cash, receivables, long-term investments, and accounts payable and accrued liabilities. Cash and long-term investments are carried at fair value, except for long-term investments in convertible debentures which are carried at amortized cost. The fair values of receivables, and accounts payable and accrued liabilities approximate their carrying amounts due to their current nature.

The Company's financial assets measured at fair value on a recurring basis were calculated as follows:

	Balance	Level 1	Level 2	Level 3
September 30, 2024	**$**	**$**	**$**	**$**
Digital assets	6,199	-	6,199	-
December 31, 2023				
Digital assets	3,799	-	3,799	-

Management considers the fair value of digital assets to be Level 2 under IFRS 13 Fair Value Measurement ("IFRS 13") fair value hierarchy as the volume weighted average price taken from www.coingecko.com uses the volumes of multiple digital currency exchanges. There were no transfers between any levels during the period.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. Credit risk associated with cash is minimal as the Company deposits the majority of its cash with a large Canadian financial institution. The Company's credit risk associated with its receivables, and loan receivable is monitored by management. The Company's maximum exposure to credit risk is the carrying value of the cash, receivables, and loan receivable.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity risk is to ensure it has a planning and budgeting process in place to determine the funds required to support its ongoing operations and capital expenditures. The Company ensures that sufficient funds are raised from private placements to meet its working capital requirements, after taking into account existing cash and expected exercise of share purchase warrants and options. Management believes that it will be successful in raising the necessary funds however, given the current market conditions, management believes that the raising of the required funds will take longer than is normal and will be at prices that may be less than desirable. There are no assurances that additional funds will be available on terms acceptable to the Company or at all. All of the Company's financial liabilities have maturities of one year or less as at September 30, 2024 and December 31, 2023.

Market Risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, commodity prices, equity prices, and foreign currency fluctuations.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK FACTORS (Continued)

a) Interest Rate Risk

Interest rate risk is the risk arising from the effect of changes in prevailing interest rates on the Company's financial instruments. The Company's loan receivable is at a fixed rate of interest .The Company is not exposed to significant interest rate risk with respect to these financial instruments as a change in the prevailing interest rates would not impact the future cash flows associated with the fixed rates of interest, nor would they be expected to impact the fair value of future cash flows unless and until such time as these financial instruments matured and were renewed or extended, instead of being collected.

b) Price Risk

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer or by factors affecting all similar financial instruments traded in the market. The Company is exposed to price risk associated with its long-term investments in marketable securities and warrants, classified in levels 1 and 3 of the fair value hierarchy, respectively. A 10% change in market prices of the common shares underlying the long-term investments in marketable securities would result in a gain or loss of approximately $Nil.

c) Currency Risk

Currency risk is the risk that the fair value of future cash flows will fluctuate as a result of changes in foreign exchange rates. At June 30, 2024 the Company held an insignificant balance of US dollar assets. A 10% change in the foreign exchange rate would not impact Statement of Loss and Comprehensive Loss by a material amount.

11. DIGITAL ASSET RISK FACTORS

Fair Values

Digital assets are measured at level 2 of the fair value hierarchy on the balance sheet, determined by taking the rate from Coingeko.com. Digital asset prices are affected by various forces including global supply and demand, interest rates, exchange rates, inflation or deflation and the global political and economic conditions. The profitability of the Company is directly related to the current and future market price of digital assets; in addition, the Company may not be able liquidate its holdings of digital assets at its desired price if required. A decline in the market prices for digital assets could negatively impact the Company's future operations. The Company has not hedged the conversion of any of its sales of digital assets.

Digital assets have a limited history of existence, and the fair value historically has been very volatile. Historical performance of digital assets is not indicative of their future price performance. The Company's digital assets currently consist of Bitcoin, Ethereum, Curve Governance Token, and The Sandbox.

At June 30, 2024 had the market price of the Company's holdings of Bitcoin and Ethereum increased or decreased by 10% with all other variables held constant, the corresponding asset value increase or decrease respectively would amount to approximately $Nil and $600 respectively.

11. DIGITAL ASSET RISK FACTORS (Continued)

Credit Risk

Digital assets subject the Company to a concentration of credit risk. The Company self-custodies its crypto assets therefore it is not exposed to credit risk. The Company may also determine to limit its exposure to credit loss by placing its digital assets with Gemini Trust Company, LLC. ("Gemini"). Gemini is a New York trust company regulated by the New York State Department of Financial Services (NYSDFS). Gemini is subject to capital reserve requirements, cybersecurity requirements, and banking compliance standards set forth by the NYSDFS and the New York Banking Law. Gemini is also a fiduciary and Qualified Custodian (www.gemini.com).

12. CAPITAL MANAGEMENT

The Company's objectives for managing capital (defined as all components of equity) are to safeguard its ability to continue as a going concern and provide returns to shareholders and benefits for other stakeholders. The Company manages capital by issuing new common shares, options, and warrants, and may in the future issue new debt. There are no externally imposed capital requirements. There has been no change to the Company's capital management approach during the period ended September 30, 2024.

13. SUBSEQUENT EVENTS

Subsequent to September 30, 2024, the Company entered the following transactions:

a) On October 9, 2024, the Company issued 4,000 units at a price of $1,275 per unit raising gross proceeds of $5,100. Each unit consists of one common share and one common share purchase warrant which entitles the holder to acquire an additional common share at a price of $2.25 for a period of two years from closing.